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EAID, EIND

SUBJECT: Alternative Energies to be integrated into Iraq's Energy Plan, Funding the Issue

11. (SBU) SUMMARY: Representatives from eleven Iraqi ministries discussed the potential for alternative energy (solar, wind, biomass, hydro) in Iraq at the Iraqi Renewable Energy Steering

Committee (IRESC) meeting on August 19. IRESC keynote speaker Dr. Al-Qaraghuli from the U.S. Department of Energy's National Renewable Energy Laboratory (NREL) outlined an NREL Framework Plan to build a renewable energy and energy efficiency infrastructure that would increase the use of renewable energy sources and lead to more energy efficient and conservation measures in Iraq. Meeting attendees called for increased alternative energy research and development, education programs on renewables, support for specific projects such as cathodic protection and water heating, the establishment of standards and codes, technology transfer opportunities, and the need for solar energy technician training programs and educational equipment. End summary.

12. (SBU) Iraq first considered alternative energy research and development during the 1980's, when the GOI created a Solar Research Center (SERC) in collaboration with the U.S. Solar Energy Research Institute (SERI) - the precursor to the NREL. Iraqi interest in alternative energy was rekindled in April 2009 when Prime Minister Maliki chaired a Council of Ministers meeting to develop an action plan for renewable energy. The resultant plan covered several specific actions, including defining solar technology applications, investing in energy efficiency and research and development, education programs, and developing alternative energy business and investment opportunities.

13. (SBU) The August 19 IRESC attendees included Minister of Science and Technology Dr. Raed Fahmy Jahid, Minister of Oil Dr. Hussain Al-Sharistani, Minister of Environment Dr. Narmin Othman, Minister of Construction and Housing Dr. Dayan Desei, National Investment Commission chair Dr. Sami Al-Araji, INIC, a Deputy Minister of Electricity, and representatives from the Ministries of Interior, Higher Education, Water Resources, Industry and Materials, and Justice. Ministers were given ten minutes to present their views on alternative energy. The GOI senior officials agreed that "renewable energy and fossil energy are not in competition" with one another. Instead, renewable energy sources should be integrated to extend the life of fossil fuels and allow Iraq to export larger quantities of fossil fuels. In one example, solar energy could be an inexpensive alternative to the countless, small diesel-powered generators that many Iraqis use to generate electricity. The officials pointed out that solar energy is already in wide use along the border supporting communication and monitoring equipment. IRESC participants also stated that

-- Iraq's renewable energy sector was an important area for potential foreign investment and educational training opportunities;

-- technology transfer and partnerships with non-Iraqi universities were possible areas of engagement;

-- more emphasis was needed on wind and solar educational equipment, such as panels, test gear, and software;

-- codes and standards for sustainable energy architecture, especially in housing, was important for increasing energy efficiency and that a ten billion dinar program at universities and other organizations exists to study and develop more efficient building designs; and

-- health and global warming were primary reasons for encouraging alternative energy use.

#### Solar Energy

14. (SBU) The IRESC concluded that solar energy may not be a competitive alternative to fossil fuels until government subsidizes the construction of solar energy units. One Ministry of Science and Technology official suggested that the GOI could sponsor a loan program for individuals buying alternative energy components (e.g., solar panels for hot water heating). Under such a program, purchasers would pay 20 percent, while the government funded the rest with a loan repayable over 5-10 years. A similar government supported loan program is already being used in the agricultural industry.

15. (SBU) COMMENT: The GOI is increasingly interested in exploring the use of alternative energy, but government action may be limited due to funding constraints. Loan programs in general are uncommon in Iraq as are cooperatives that could provide a vehicle for capital cost accumulation. One possibility for private industry funding might be through requiring companies that win bids to develop Iraqi oil fields to invest a certain amount of money in Iraq's alternative energy and/or science sector.

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